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MUTUAL

LAND SOCIETIES,

THEIR

PRESENT POSITION,

AND

FUTURE PROSPECTS.

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MUTUAL LAND SOCIETIES.

Introduction.

At the present moment, upon the close of a Session of Parliament, during which nothing has been done to improve the Land System of Ireland, it may be useful to consider whether any successful effort can be made, under the existing laws, to establish the Irishman firmly in his own land, and to stay the continuous outflow of a despairing people. With this object, and in order to expedite the advent of that New Land System which must eventually exist in both countries, an attempt is now made to present some practical information, derived from the most recent and most authentic sources, for the purpose of exhibiting the good effects already experienced in England through the operations of Mutual Land Societies, legally constituted under the provisions of a statute, called the 'Benefit Building Societies Act.' In order to convey this information in the most satisfactory form, it has been considered useful to cite, in each instance, the authority relied upon.

A careful consideration of the whole subject, may perhaps lead inquiring minds to adopt the conclusion, that it is only through the intervention of a Mutual Land Society that any effectual exertion can now be made, to arrest the multitudinous rush which by its headlong outpour continues to depopulate the land of Ireland. Were such a society instituted, upon a proper basis, it is not improbable that the numerous subscrip-

tions, necessary for accomplishing its great object, would soon be supplied by native Irishmen; either from their small savings in their own country, or their large earnings in other lands. Out of the thousands of pounds daily remitted by distant relatives to aid in exporting the remaining inhabitants of Ireland—involuntary exiles to unknown shores—it is but natural to anticipate, that some portion would be applied to fix the Irish people in their own soil.

It is well known in Ireland that the vast majority of its rural farmers are mere yearly tenants, who could always have been removed at any time from their holdings on receiving the usual six months' notice to quit. In many cases even such a notice will now no longer be required; for, under the Civil Bills Act of last session, an ejectment can at once be brought against any yearly tenant owing one year's rent; which, in the present adverse times, is unfortunately the position of most occupying tenants in Ireland.

In the Irish towns and villages the position of the tenants of small holdings is even still more precarious and insecure; for, under the Summary Jurisdiction Act of last session, most of this class of occupiers may be summarily removed by the local magistrates at petty sessions, on receiving four days' notice.

Independent of the national incentives, which should now induce all classes in Ireland to unite in organizing a Mutual Land movement for their common good, there exist at the present time some local circumstances which would seem to afford peculiar facilities for conducting it to a successful issue.

In England, the high rate of purchase still given for landed property, the heavy expenses and great delays attendant upon making out title there, and the want of any absolute certainty in title when legally deduced, may still prevent an English Land Society from extending its operations to the purchase of large estates, for the

purpose of subsequent distribution amongst its members, divided into good-sized farms. But in Ireland, these formidable obstacles to the purchase and distribution of large estates have been partially removed, by the present depreciation in the Irish land market, and the cheap mode afforded for acquiring a secure title through the Incumbered Estates Court.

The important results that would follow the success of such a project, and the advantage of being able to put it into immediate operation, without incurring those prolonged contests which usually precede any legislative change, challenge for it the serious consideration of practical men; and it is the more entitled to the favourable regard of all classes, because its success would accelerate that permanent settlement of the great Land Question, so much desired by every person interested in the welfare of Ireland.

Benefit Building Societies:

The rapid and increasing progress of Benefit Building Societies and Freehold Land Societies, in England and Scotland, is owing mainly to the peculiar facilities which they have afforded for the investment of small sums at compound interest, and for the acquisition of small holdings, to be purchased by convenient instalments. Those Societies were first sanctioned by the legislature in the year 1836, under a statute (*a*) which extended to Building Societies the prior acts (*b*) relating to Friendly Societies.

The Act for regulating Benefit Building Societies was based upon a statement, that—"Building Societies have been established in different parts of the kingdom, principally amongst the industrious classes, for the purpose of raising, by small periodical subscriptions, a fund to assist the members in obtaining a small freehold or leasehold pro-

(*a*) The Benefit Building Societies' Act,—6, 7 Will. IV., c. 32.

(*b*) The Friendly Societies' Acts,—10 Geo. IV., c. 56: and 4, 5 Will. IV., c. 40: and see the subsequent Friendly Societies' Acts of 9, 10 Vict., c. 27; and 13, 14 Vict., c. 115.

perty ; and it is expedient to afford encouragement and protection to such Societies, and the property obtained therewith." (*a*)

Their Privileges :

Accordingly those Societies were encouraged and protected by conferring upon them some valuable privileges, amongst which are the following :—

The liability of each of their members is limited to his individual shares.

Their ordinary securities are simple and uniform, and are exempt from stamp duty, (*b*) and from the usury laws. (*c*)

Their rules can be legally enforced (*d*).

Any disputes with their members are settled summarily by arbitration (*e*).

Any frauds of their members are punished summarily by justices (*f*).

They sue and are sued in the names of their officers (*g*).

Their property is vested in trustees, and new trustees are appointed on a simple petition to a superior court, without paying a counsel or attorney (*h*), or any office fees.

They have priority of debts upon the bankruptcy, insolvency, or death of any of their officers (*i*).

(*a*) Preamble to 6, 7, Will. IV., c. 32.

(*b*) 10 Geo. IV., c. 56, s. 37, and 6, 7 Will. IV., c. 32. s. 8.

(*c*) 6, 7 Will. IV., c. 32, s. 2.

(*d*) 10 Geo. IV., c. 56, s. 27, and 4, 5 Will. IV., c. 40, s. 7.

(*e*) 10 Geo. IV., c. 56, s. 15.

(*f*) Ibid.

(*g*) Ibid. s. 21.

(*h*) Ibid, s. 17.—" It shall be lawful for the judges of the said courts to assign counsel learned in the law, and to appoint a clerk or practitioner of such courts, to advise and carry on such petition on behalf of such Society, who are hereby respectively required to do their duties therein, without fee or reward.

(*i*) 4, 5 Will. IV., c. 40, s. 12.

Minors may be members of the Society (*a*).

Upon the death of a member, the Society may pay a sum not exceeding 20*l*., without an administration (*b*).

Members may be witnesses in all proceedings, civil or criminal, respecting the property of the Society (*c*).

Their Leading Features:

Assisted by these substantial privileges, Building Societies have multiplied in number, and increased in importance. They were founded upon the principle, that to buy an article outright is in the end much cheaper than to hire it. But although originally established for the mere purpose of enabling 'every cottager to become the owner of his own cottage,' it was soon discovered that these Societies would also afford a ready means for the investment of money at compound interest.

The leading features of a Benefit Building Society are thus explained, in 'a work which may be considered the grammar of the system' :—

"The members are separated into two classes—Investers and Borrowers. The Investers pay a certain monthly subscription, during a fixed number of years, calculated as sufficient for the realization of their Shares. The Borrowers receive, at the time of obtaining an advance, the full amount of their Shares, without any deduction beyond a trifling commission, which is withheld as a contribution towards the expenses and losses. This loan is secured by a mortgage on the property purchased, and in return they pay, during a fixed optional number of years previously agreed upon, a suitable monthly subscription, by which the debt is liquidated with interest.

"The idea of a Society upon this principle, correctly formed and afterwards properly managed, is of the most admirable kind. For, on the one hand, it holds out inducements to individuals to put by periodically from their incomes small or large sums, which are invested for them by the Society, and at the end of a certain time are repaid to them in the shape of a large accumulation, without

(*a*) 10 Geo. IV., c. 56, s. 32.

(*b*) Ibid. s. 24.

(*c*) 4, 5 Will. IV., c. 40, s. 10.

their having themselves the trouble of seeking for suitable investments; while, on the other hand, the money subscribed, being advanced to some of the members, enables them to purchase houses or similar property, and to repay the loan by small periodical instalments, extended over a number of years.

"It is only by means of these Societies, that persons who are not possessors of capital, and who merely receive their income periodically, can ever become possessed of a house. This they are enabled to do only from the practical fact that the annual repayments, required by a Society upon a loan, do not much exceed the rent of a house, which could be purchased with the sum borrowed. So that a man, living ten or fourteen years in a house, instead of paying his rent to his landlord, and thus losing so much money for ever, pays it, with a small addition, to a Building Society for a limited number of years; and in consideration of his consent to this arrangement, the Society advances him at once the sum requisite for the purchase of the property; which thus, in the stipulated time, when the loan has been repaid with interest, becomes entirely his own, the money advanced being in the mean time secured by a suitable mortgage.

"Much good has been obtained through these Societies, by their enabling so large a number of persons to become possessors of houses and land; which, on the conclusion of their payments, they occupy free of rent, and can transmit a little property to their family. This pecuniary interest serves at once to bind them to the soil, and to promote a feeling of love and veneration for the national institutions of their country." (*a*)

Their Present Position:

The present position of Building Societies is thus described by a practical writer, thoroughly conversant with all their details:—

"The number of Building Societies already registered exceeds 2,050, and new Societies are forming almost daily. (*b*) The yearly income must now amount to *four*

(*a*) 'Industrial Investment and Emigration' (2nd Ed. 1851), by A. Scratchley, Actuary of the Western Life Insurance Society.

(*a*) The number of Friendly Societies is very much greater. "Since the year 1828, the Registrar has enrolled more than 14,000 Friendly Societies, of which he reckons that 12,000 are now in existence, and there is a still larger

millions sterling, and it is said that some of the largest of these institutions in populous districts possess annual incomes of fifty or sixty thousand pounds each; the whole of which is advanced from time to time on the security of real property, principally consisting of new buildings. What an immense advantage must this expenditure be to various branches of trade, by which others are collaterally benefited; and, in a political point of view, the beneficial operation of these Societies is incalculable.

"Every one who has watched the progress of these institutions, or who will take the trouble to inquire into it, will not fail to be convinced of the extensive benefits which they have already conferred on a large portion of the middle and industrious classes, and the inducements held out to them to become the owners of real property in some shape. By these means such a permanent ownership in the soil, and consequently in the institutions of the country, is created, as renders those Societies of vital importance, both in a moral and political point of view.

"Societies of this kind ought to have attracted even more consideration and attention than they have hitherto done. The ignorance which exists respecting them can only be attributed to the strong prejudices which prevail against anything new; especially if its origin is to be traced to the wisdom and energy of the industrious classes." (*a*)

Their Practical Operation.

It would be out of place here to explain in detail those practical regulations, common to all Building Societies, by which their members are enabled mutually to assist each other in becoming, at their own option, either the owners of small properties at wholesale prices, to be paid for by convenient instalments, or the investers of small sums, which may be withdrawn at any time with compound interest. (*b*) It will suffice to observe, that the Benefit

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number of Societies not enrolled."—*Commons' Report*, made July 3rd, 1849, on Friendly Societies.

(*a*) Practical Treatise on Benefit Building Societies (1851), by William Stone, Attorney-at-Law.

(*b*) For further details respecting Benefit Building Societies;—see the works of A. Scratchley and W. Stone (1851), already referred to. Also, the 'Law relating to Benefit Building Societies' (1850), by W. Tidd Pratt, barrister; the 'Law and Practice of Benefit Building Societies' (1850), by

Building Societies Act has been successfully applied, to an extent probably not contemplated at the time it was passed. For, although the Act directed that the Shares in a Building Society should not exceed 150*l.* each, its phraseology was considered not sufficiently explicit to prevent a member from holding an unlimited number of shares. (*a*) Building Societies have consequently become a familiar mode of investing large sums as well as small savings.

"They now embrace within their operation every class of society, from the learned professions and superior tradesmen, including a great portion of the gentry, down to the mechanic, artizan, and domestic servant." (*b*)

Freehold Land Societies.

Within the last few years some successful attempts have also been made in England, to establish Freehold Land Societies, under the provisions of the Building Societies' Act. The object of these Land Societies is to purchase Freehold Estates, through the intervention of trustees, and afterwards to distribute the estates amongst the members, according to fixed regulations, similar to those by which the Building Societies are governed, and certified in the same form by the Registrar of Friendly Societies.

Freehold Land Societies are calculated to effect much social good, both by enabling many persons to become the owners of small properties, and by forcing forward that legislation which must sooner or later take place for the purpose of facilitating all dealings relating to land.

Birmingham Land Society:

The earliest of these Land Societies was that called the 'Birmingham Freehold Land Society,' but certified by

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J. Thompson, barrister; and the several numbers of 'The Freeholder,' a monthly periodical, established on the 1st of January, 1850, in connexion with the Freehold Land Societies of England.

(*a*) See Morrison *v.* Glover; 19 *Law Journal Reports*, N. S. Exch. 20.

(*b*) Stone on Benefit Building Societies.

the Registrar under the name of the 'Birmingham and Midland Counties Benefit Building Investment and Land Society.' It was established in order to purchase estates near the populous town of Birmingham; and, by dividing them into small lots, enable each of its members to acquire a 40s. freehold franchise (*a*) for North Warwickshire or South Staffordshire.

Its Origin and Progress.

The Birmingham Land Society was formed in September, 1847. Its rules were certified on the 27th of December following; and at the end of the first year, terminating in September, 1848, its first report stated that its subscriptions then amounted to £500 per month, and that it had already bought an estate for £3,700, which had been allotted amongst 195 members. Before the 1st of October, 1850, £25,000 had been subscribed, and four estates purchased; which were divided into 824 allotments, worth considerably more than they had cost. In some instances the allottees had received £50, for allotments which had cost them less than £20 (*b*). Up to the present time, (August, 1851,) upwards of £50,000 have been expended in the purchase of estates, which have been distributed among the members. About one-fourth of the allotments were intended to be used as garden ground; the remainder were for building purposes. (*c*)

(*a*) The 40s. freehold franchise no longer exists in any county of Ireland. For, upon the 13th of April, 1829, two statutes (10 Geo. IV., cc. 7, 8) were passed; the one for the relief of Roman Catholics, and the other for the disfranchisement of the Irish 40s. freeholders.

(*b*) Letters dated 12th and 15th August, 1851, from James Taylor, Esq., Founder and Secretary of the Birmingham Land Society.

(*c*) See Nos. 1, 11, and 13 of the *Freeholder*, which contain official returns and reports exhibiting the origin and progress of the Birmingham Freehold Land Society. The same periodical, No. 13, contains the second annual report of the Wolverhampton Freehold Land Society, which states that—"On the Moorsfield estate, allotments which cost 25*l.* 13s. have sold at a profit of from 5*l.* to 10*l.*

National Land Society:

In imitation of the Birmingham Society, many other Freehold Land Societies have been since established, in order to purchase estates at wholesale prices, for the purpose of subsequent distribution among the members. It may be useful to mention some particulars respecting the most important of those Societies, called the 'National Freehold Land Society,' which was established in London in November, 1849, and was certified under the name of the 'National Permanent Mutual Benefit Building Society.'

Its First Report:

The following extracts are taken from the first annual report of the Society, made in November, 1850:—

"Up to the 31st of October last, 5,019 shares had been taken by 2,824 members, and the total amount of money subscribed was £21,257 16s. 10d. Fourteen estates, costing £62,000 have been purchased for distribution among the members, and five of these have been already divided.

"It will be seen that a much larger sum than has been contributed by the subscribing members has been expended for their benefit; a result mainly owing to the use of the large amount of money received from those members who have preferred to pay down the entire amount of their shares, and at once take full possession of their allotments.

"The Freehold Land movement, as is well known, originated in a political object. But it is certain that these associations have far outgrown their original limits, and have added to the intention of their founders the higher and still more important objects of social and moral amelioration.

"The Society is at once a secure bank for savings, and a most profitable investment for capital. From the rapid rate at which its business is increasing, there can be but little doubt that, within an exceedingly short space of time, it will become one of the chief banks of deposit to which the middle and working classes will resort. A safety beyond

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each; and, in several instances, more than double the amount paid has been realized. On the Sedgley Road estate, one of the allottees has refused 5s. per yard for land which cost 1s. 8d. per yard."

question; a larger interest than can be obtained elsewhere; a right to withdraw at any time, without deduction, the whole of the money subscribed, should unforeseen emergencies arise; a certainty of speedy, and a possibility of immediate allotments of land, with all its rights and privileges and a share of all surplus profits besides;—are benefits of which all classes of men must become, indeed are very fast becoming, fully sensible." (*a*)

Its Present Position:

The following description of the same Society is annexed to the latest edition of its rules.

"Up to this time (July 1851,) 24 Estates have been purchased by the Society, at a cost of more than £100,000 and 11,570 shares have been issued. Its principal objects are, to qualify its members to vote at elections for counties, and to afford them a secure and profitable investment. To accomplish these objects, freehold estates are purchased and divided into lots, which vary considerably in size and value. The lots are then offered to the members at prices which include the expenses of conveyance; and, if any profit is made on the distribution of an estate, it is added to the funds of the Society, and thus goes to increase the annual profits divided among the members.

"Every drawn share confers the right to chose one lot unless any member holding several shares prefers to take, several lots at a time. Any member having more rights than he wishes to exercise, may sell them; and any member whose Share has been drawn, is thereby entitled to an advance of money to pay for an allotment, or to the advance, or to both; and in no case will any member be compelled to take either an allotment, or an advance.

"Registers, in which members may enter their rights to allotments or advances which they wish to dispose of, and the prices which they are willing to accept, are kept at the office; and, by inspecting such Register, any member, wishing to obtain an allotment or an advance, may ascertain the price at which the right to either can be procured. The lowest price at which such rights are now selling is £3; but some, which secured an earlier choice have fetched £5 each; and already many of the allotments, obtained by the members, have been sold at prices considerably higher than those which they paid for them."

(*a*) See *Freeholder* of December 2nd, 1850, p. 188.

Its Mode of Operation.

The following passages present an accurate outline of the mode of operation pursued by this Society :—

"An estate is purchased, in reality by the National Freehold Land Society, but apparently by two persons not members of the Society, to whom the Society lends a sufficient sum to pay for the estate, and also to improve, survey, value, and allot it amongst the members. These two persons apparently, but the Society in reality, re-sell the estate in lots to the borrowing members; each of whom either pays for his own lot at once, or executes to the Society a mortgage to be paid off by instalments. Members who have mortgaged their lots often sell them for large premiums.

"The profits of the Society are large; because an estate is sold by retail for a larger amount than its wholesale cost price. Hitherto, however, the purchases have been confined to land situate in populous districts, or near railway stations, and intended to be used as building or as garden ground. (*a*) It is wonderful how quickly the lots pass from hand to hand, and how many become the successive owners of a lot before it vests in an owner who builds upon it.

"Great pains are taken to equalize the value of the lots, but it sometimes happens that a lot valued at £40 is more sought after than another lot valued at the same sum. Thus the one lot might sell freely at a premium of £10, whilst the other could not be sold at a premium.

"Although originally started for a political object, that element is now almost entirely sunk in the passion for land, which impels some persons to become borrowing members, and in the desire by others to invest their savings at interest." (*b*)

(*a*) At the National Freehold Land Conference, held on 26th of November, 1850, it was stated, that—"The National Freehold Land Society had just purchased an estate of 205 acres near a market town, from which they intended to select about 30 or 40 acres most suitable for building, and it was hoped that the rest would be apportioned to small enterprising farmers."—See the *Freeholder* of December 2nd, 1850, p. 179.

(*b*) Letter, dated August 8th, 1851, from John Sadleir, Esq., M.P.

Mr. Feargus O'Connor's Land Scheme.

In the year 1849 a temporary feeling against all Land Societies arose in England, in consequence of the ill-success of the Land Scheme of Mr. Feargus O'Connor. That project was not registered, or established under any Act of Parliament. Some 79,000 persons deposited in the hands of Mr. O'Connor their subscriptions, amounting to about £112,000; out of which sum he bought, in his own name, two estates called Snigs' End and O'Connorville. Those properties were divided into several small farms, of one, two, or three acres; a small cottage was built on each allotment, and a capital of from £15 to £30 was added to each. The allotments were then distributed by ballot amongst the numerous subscribers, subject to certain fixed rents. Of those who obtained these allotments many were mechanics who had been receiving good wages, and had left their employment in the towns in order to settle down as farmers on small patches of land in a country district. The natural result was, that they were unable to pay the stipulated rents, and the whole project failed, through manifest defects inherent in its original constitution. Its failure caused some obloquy to be thrown upon its projector, and led to the case of O'Connor *v.* Bradshaw; an action of libel, on the trial of which the facts were disclosed, when the jury found a verdict for the defendant, at the same time declaring that they regarded the plaintiff's personal honesty as unimpeached.

Other English Land Societies.

Besides the Birmingham Land Society and the National Land Society there are several other Land Societies now existing in England, constituted under the Building Societies' Act for the professed object of purchasing freehold land and dividing it amongst the members.

At the present time, (August, 1851,) there are about one hundred English Land Societies in operation, with numerous branches. About £250,000 have been contributed and paid by 55,000 members, subscribing for

70,000 Shares, of the ultimate value of nearly two millions of money. Numerous estates have been purchased, which have cost sums considerably exceeding the paid contributions of the subscribing members.

Hitherto the operation of the Freehold Land Societies has been of a limited character, confined chiefly to the distribution of small lots of ground, either for building purposes, or in order to confer a 40s. franchise. There are, however, some of those Societies which have distributed land amongst their members for the purpose of being used as gardens near large towns. In this manner a Land Society at Ipswich has distributed about 200 garden lots.

Scottish Land Societies.

It should not be forgotten, that to Scotland is due the distinguished merit of having originated Building Societies, some years prior to the statute by which they were sanctioned and encouraged in 1836. In that country also, Mutual Land Societies have been in existence for some years past, founded upon the principles of Building Societies. (*a*)

The following extracts will afford a correct idea of the position and prospects of the Land Societies established in the city of Edinburgh.

"The shares held in Edinburgh, in Property Investment Companies amounted lately to at least £2,000. The average income amounted to upwards of 120,000 a year, and the total capital of the Societies, when the fourteen years are expired, would have amounted lately to £365,000 sterling, and including the capital of the new company lately started it will amount to £405,000. In the case of one association, a fair sample of the rest, the number of

"(*a*) The first Benefit Building Society, which can be traced, was founded in 1815, under the auspices of the Earl of Selkirk. It was a village club, at Kircudbright, in Scotland. Other institutions of a similar kind were afterwards established in the same kingdom, under the title of 'Menages;' and the system was soon adopted in England by Societies formed in the neighbourhood of Manchester, and Liverpool, and other parts of the North."—Scratchley on 'Industrial Investment and Emigration.'

members was between twelve and thirteen hundred, holding amongst them 8,070 shares. Of these 8,070 shares, no fewer than 6,000 are held by working men. The rest are held by clerks, master tradesmen, merchants, and others; but it is a gratifying circumstance, that the great mass of the shares appear to be held by the very class of society, whose advantage it ought to be the chief object to promote.

"Great bulks of landed property are now beginning to be sold, and what is a singular fact, a great deal of that land at this moment is offered for sale at as low a price almost as land can be got at in the more populous districts of the Colonies. For example, the estate of Islay contains 139,700 acres of land, and the mass of that land is so excellent, and the climate so good, that that island alone would sustain the whole population of the Hebrides if it were properly managed. The rental of it is £19,000 a year. It is offered for sale at present at £500,000; that is to say, it is offered on an average of £3 11s. 7d. an acre, or for £192 fifty-three acres can be bought. If, instead of selling it in one great mass, it were sold in sections, for less than £200 a man might obtain fifty-three acres of it, or far more than enough to sustain himself and his family in comfort for life.

"Now the question comes to be, why should not that land be bought by means of those Property Investment Companies. Men go to the colonies to buy land, but there are a great many reasons why, if matters were properly regulated, a man had better buy land in his own country. I do not say that things being as they are, and were they permanently to continue as they are, it would not be an advantageous thing to go to the Colonies; but if we could get our own country opened up to the fair competition of its inhabitants, it would be far better for a colony to go and settle themselves in their own land, than to go and face the dreadful climate of Canada, to cut down its gigantic woods, to endure the fever and ague that lurk in its swamps, and to meet the many other hardships to which a settler is exposed. Far better would it be to go and take possession of a piece of land within six hours sail of Glasgow, which could be got almost as cheap, and which would be productive of advantages to the man and to his children, to a far greater extent than he can ever hope to obtain in any colony whatever. And then look at the advantages to the country. Who are the men that are driven out of the country by means of this forced emigration? They are the

very back-bone and sinew of the country. This estate of Islay is not populated by one-third the number it could contain, and yet at this moment it is in contemplation to send out a large number of its very best, its most industrious, its most substantial people to other lands." (*a*)

These impressive statements might be applied with even greater force to the present condition of the land of Ireland. In Ireland large blocks of land, which become daily more depopulated and waste, are now for sale in every quarter of the island, whilst a "forced emigration" continues to drive out "the very backbone and sinew of the country."

Irish Land Societies.

Hitherto no Land Society has been established in Ireland, under the provisions of the Benefit Building Societies' Act. The peculiar privileges afforded by that Statute have been made use of in the City of Dublin, by the institution of only two Building Societies of minor importance. The operations of those bodies are of too limited a character to require notice.

There can, however, be little doubt that the principles which should regulate a Mutual Land Society might at the present time be developed in Ireland, with a better prospect of success than in any other part of the United Kingdom.

Some of the reasons for now instituting an Irish Land Society, and for anticipating a successful result, have been thus expressed in a recent Treatise :—

"More than a million acres of the finest tillage and pasture lands of Ireland are out of occupation, or passing through the Incumbered Estates Court, to become the property of new owners. A multitude of the best trained Irish farmers and artizans are at the same time carrying away their skill and savings to enrich foreign countries. It is computed that in four years these emigrants have taken out of Ireland, in money alone, more capital than would

(*a*) "How Every Man may become his own Landlord ; or, a way by which to elevate the condition of the masses of Britain, and develope the resources of the country :" (1851.) By James Begg, D.D.

have purchased the fee-simple of all the landed property which has changed hands since the first year of the Famine.

"A way remains by which those men may be honestly invited to remain at home and enjoy a happier, and even a surer, prosperity; and this way is to enable them to become Small Proprietors in their native country.

"There is more Irish money deposited in the Irish funds than would purchase the fee simple of seven entire counties, or one of the provinces. There is more Irish money lying as deposits in the Friendly Societies and Savings' Banks than would purchase the fee simple of several other counties. A large proportion of this accumulation belongs to men of limited means, who would probably desire to become small proprietors. Nearly twelve thousand fund-holders are owners of sums of 200*l.* or under—men shut out from the individual purchase of land by the smallness of their capital. The large majority of them are said to be farmers. In the Savings' Banks, all depositors are necessarily owners of small accumulations. The aggregate amount of all these various deposits is above forty-five millions sterling.

"Beyond this huge sum, there are many millions of Irish money in the English Funds. There is also an immense sum, the amount of which cannot be ascertained with accuracy, lent in small loans on freehold property; often by tenants to their landlords, or by other parties who would probably purchase land with their capital instead of lending it at interest, if a suitable opportunity offered. Although the last five years have drained away a large share of the savings of the working farmers, it is believed, by men well acquainted with them, that a considerable number would still be found, able to become purchasers with the aid of a Land Society."

"The very smallest operations of an Irish Land Society would effect some practical good; its full and complete development would not leave a workhouse or a waste in all Ireland. It would draw forth the physical elements of wealth and power with which the country is stored; and preserve, in their new life of solid independence, that simplicity and purity of character which, under favorable circumstances, distinguish the Irish people." (*a*)

(*a*) The above extracts are given, with the kind permission of its Author, from a very practical Treatise called "A Proposal for Establishing a Small Proprietor's Society for Ireland." It has hitherto been privately circulated, but it is hoped may soon be made public.

The following plain statements may also assist in forming a correct judgment respecting the probable success of an Irish Land Society :—

"I have made it my business to confer with some leading members of these English Land Societies, have carefully examined their working, and have no doubt they could be extended to Ireland with complete success. Of this indeed I have had some recent proof.

"An estate was lately sold in the Incumbered Estates Court, which was purchased by me for an English creditor, whose object was to obtain the repayment of his debt. The occupiers were mere yearly tenants, and were under a well-founded apprehension that they would soon be removed from their holdings by a local party who had intended to purchase the estate. However, on completing the purchase, I had no difficulty in arranging that each of these tenants should become at once the purchaser and owner of his own farm; for they were all most anxious to pay down, in some instances one-half, in others one-third, of the sums allotted as the prices of their farms, and to secure by mortgages the gradual liquidation of the unpaid balances.

"Through this arrangement these farmers, whose families had for generations occupied the estate as mere yearly tenants, are now its actual proprietors; and the puisne creditor, who was able and willing to forward the operation, is well rewarded by having secured a large portion of his debt, which would otherwise have been entirely lost.

"Lands which would be now uninhabited, remain well peopled, and are fully cropped this year. Already these farmer-proprietors exhibit a degree of active industry, which strikingly contrasts with their former hopeless state, whilst living under the apprehension of being removed from their farms." (*a*)

It is perhaps unnecessary to accumulate facts or arguments to demonstrate the utility of establishing a Mutual Land Society in Ireland, for the purchase and distribution of large Estates. The necessity for an increased number of Yeoman Proprietors was distinctly stated in the Report made by the Devon Land Commissioners, and was soon

(*a*) Letter, of August 12, 1851, from J. Sadleir, Esq., M.P.

afterwards recognised by an Act of Parliament passed in the Session of 1848, called the Farmer's Estate Society Act. (*a*) That Act had for its expressed object—"The formation and establishment of a permanent body of independent Yeomen, consisting of resident proprietors holding farms in fee simple containing respectively not less than 30 acres, who would materially improve the social condition of Ireland, by promoting the better cultivation of land, the reclamation of waste land, and by personally interesting a large proportion of the population in the preservation of peace and order."

Those statements, were based upon evidence given in the month of January 1848, before a Select Committee upon the Farmers' Estate Society Bill, by some witnesses of great experience in Irish land, and who could not be supposed to feel any undue bias in favor of small properties.

Amongst these, the nobleman (*b*) who had presided over the Devon Land Commission stated, that:—

"The Commission came to the conclusion, that it would be very desirable that facilities should be given for the sale of estates, in various ways; and particularly in smaller divisions than they are now usually brought to the public market. The result of our observation through the country was, that if there should grow up a class of small proprietors, holding that quantity of land upon which they were likely to reside, it would operate as a very great social improvement in Ireland.

"The social condition of Ireland can only be improved through the medium of agricultural improvement; and the best mode of promoting that improvement would be, to give a larger number of persons than now enjoy it an absolute interest in the improvement of the land, by making them proprietors. Every thing which gave a considerable number of persons a strong interest in the peace and tranquillity of the country would tend to increase that peace.

"One mode by which the sale of land could be effected

(*a*) 11, 12 Vict. c. cliii. *(Private Act)*
(*b*) The Earl of Devon.

would be, by making provision for deferred payments, making the purchase-money payable by deferred instalments."

Another member of the Land Commission, and a large landed proprietor in Ireland (*a*) testified, that:—

"There is now in Ireland a very large class of people who have made money in trade in country towns, and everybody knows that there is a great desire in Ireland to acquire a permanent interest in land. That class of people—men who acquire a permanent interest in land to the extent of 20 or 30 or 50 acres—would constitute the very best class that could be imagined for the social improvement of Ireland. In the county Down, which is one of the most peaceable and prosperous in all Ireland, the number of small farmers is greater than in any part of Ireland.

"Generally speaking, I am not at all an advocate for very small farms."

The present Attorney-General (*b*), himself a landowner, also gave it as his deliberate opinion, that it was desirable to form a permanent body of independent yeomen in Ireland, and added:—

"I have no doubt there are many persons in Ireland possessing limited amounts of capital which they would be likely to employ in the purchase of small portions of land, provided there were freedom of access to such purchases and facility as to title. I have no doubt there are persons so disposed, to an extent sufficient to make it worth while to try an experiment with regard to it."

It would be easy to adduce other high testimonies, to the great benefits which all parties interested in the land of Ireland, would derive from affording additional means for increasing the number of its proprietors, and from the adoption of such measures as would be suited to facilitate the free sale and transfer of real estate.

The present owners of the land constitute that class of persons, who, above all others would derive the most immediate benefit from the great increase in its value which

(*a*) George Alexander Hamilton, Esq., M.P.
(*b*) The Right Hon. John Hatchell, M.P.

should be the necessary consequence of facilitating its free transfer. It was mainly for this reason, and fully sensible of their own interests, that in the month of April, 1850, a large body of the Landed Proprietors of Ireland signed a Petition to both Houses of Parliament, which concluded with a prayer, that "due and proper facilities should be afforded to all proprietors, to raise money by means of land debentures, in the most simple and convenient form, and that such measures should also be passed as would be best calculated to enable any landowner to sell and dispose of his estate, in a cheap and effectual manner, or to give simple and available securities for his debts." (*a*)

Savings' Committee:

It may be safely affirmed that public opinion throughout the United Kingdom has long favored the principle of facilitating the sale and transfer of land.

Any application of the Building Societies' Act, upon a large scale, to the acquisition and distribution of estates, would, no doubt, quicken the progress of that direct legislation, now so long deferred, upon a subject of vital interest to all industrious classes, and to which so much attention was directed in the course of the Session of 1850. During that year a Select Committee was appointed, "to consider and suggest means of removing obstacles and giving facilities to safe investments for the Savings of the middle and working classes."

Its Proposed Report:

With this object, some most experienced witnesses were examined, and based upon their evidence the draft of a report was submitted to the Committee, containing the following recommendations:—

"Your Committee think steps should be taken to remove obstacles to investments in land. They rejoice to find this improvement has been commenced in Ireland by recent

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(*a*) For a full copy of this remarkable Petition, see "The Irish Land Question," Note ix. p. 252.

legislation, whereby a clear parliamentary title is given after due examination, facilities for short conveyances are afforded, and it is proposed that charges on land be so simplified and so easily divided as to pass from hand to hand in the form of debentures."

"Your Committee are of opinion that such improvements, carried out and extended to Great Britain, would much facilitate the investments desired, and give many advantages at the same time to the owners of land and the industrious classes of the country.

"Your Committee think it possible to anticipate some of the benefits likely to arise from any such general measure, if similar facilities were given here to landowners, willing to submit their titles to authorised examinations with a view to sales of their land in smaller portions, who were desirous of such a privilege, and willing to pay the necessary expense attending it."

Its Final Report.

On account, however of a Royal Commission previously appointed to consider the law of real property, the Savings' Committee omitted the foregoing recommendations from their Final Report, dated July 5th, 1850, which stated:—

"Your Committee think the importance of removing obstructions to the secure investment of their Savings to the middle and working classes can scarcely be overrated; because this is a consideration upon which the industry, enterprise, and forethought of those classes greatly depend.

"Your Committee have proceeded to examine existing obstacles to such investments, and to consider how far it may be practicable to remove them, and in what manner this may be accomplished.

"Investments in land, or landed securities, are much desired by the middle and working classes; but the uncertainty and complexity of titles, and the length and expense of conveyances, together with the cost of stamps, place this species of investment generally beyond the reach of those parties. Mortgages on land are liable to the same sort of difficulties, and often also prove insecure investments.

"Your Committee think that the greatest benefit would be conferred, both upon the owners of land and upon the

smaller capitalists desirous of purchasing land in small portions, or of lending money in small amounts upon landed securities, by the simplification of titles and the shortening of conveyances; but as the evils of the present law of real property are under the consideration of the Commissioners (*a*) appointed by her Majesty for that purpose, they do not think it necessary to enter into further detail upon this subject."

The Report then proceeds to suggest some improvements in the general law of partnership, and thus concludes:—

"It is the conviction of your Committee that if such measures were carried into effect a stimulus would be given to the industry of the country likely to cause additional employment and contentment, without injury to any class, and with added security to the welfare of all."

Since that Report was presented, no step has been taken in reference to its pressing recommendations.

Continental Land Systems.

The benefits which the industrious classes, as well as the owners of land, have already experienced in some Continental countries, through the possession of a simple mode of transferring or charging their landed property, will sufficiently appear from some valuable evidence given by an eminent English counsel before the Savings' Commitee:—

"In England, dealings in land are a luxury, that a rich man may indulge in—that a poor man cannot indulge in.

"In Belgium there is a class we should call stock-brokers, but they are connected with dealings in land, mortgages, and transactions in land; and any persons wishing to invest a large or a small sum going to them, has no greater difficulty in having the transaction arranged, safely and properly, than we have in buying stock, and going to a broker for that purpose. It is just as simple and as easy.

"In Hamburgh, and in Frankfort, all persons such as our bankers, and brokers, if they have any money that they wish to make available, instead of laying it out, as our bank-

(*a*) The Report of these Commissioners has not yet appeared.

ers would, in the funds, or in Exchequer bills, or other securities, would invest it in land, which we, according to the present state of the law, do not consider an available security. The difference is, in fact, quite reversed. A banker in Frankfort takes this investment in land as not only the safest and the best, but because it is the most readily turned into money, with less deductions or less influence from any circumstances. They prefer those securities to bonds or to bills, or to any other securities that are at all available to them as men dealing in money.

"The Government also have a great advantage, from the constant dealings with land. It brings in a stamp duty, and a much larger sum is raised that manner, by way of revenue, than is raised in this country." (*a*)

Referring to those propositions, which had been shortly before urged upon Parliament by the petition of the Irish landowners, the same witness states:—

"It is proposed, after an examination of title, to give a Parliamentary title, secure against all the world; and then the sum lent is proposed to be divided into debentures, and those debentures are intended to be transferable. Nothing can be safer, and nothing can be better, and nothing more practicable. Such a system is in force in Prussia, and has been in use for centuries, or one that is very much the same; and I cannot see why it should not be introduced with advantage into this country. It is certainly surprising that the landowners in England do not insist on some such machinery, which, I believe, might be introduced with even greater safety here than in Ireland.

"In Belgium, and Prussia, and other parts of the Continent, there is a perfectly easy mode of lending money. It is an affair of an afternoon.

"It will be found that where the law is simple, and these transactions are simple, the less rate of interest there is, and the larger the quantity of capital which takes that direction. The landowners are able to borrow at a less rate of interest than they are in this country. In Belgium there is no difficulty in investing money in land, as the savings' bank of the country. Persons there invest their money usually, if they have a small saving, in land." (*b*)

(*a*) Evidence of James Stewart, Esq.

(*b*) Ibid. The valuable testimony given by Mr. Stewart to the practical benefits derived by some continental

With respect to the beneficial effects of land debentures similar opinions were thus expressed by a distinguished economist, in his evidence before the same Committee:—

"In Germany, one of the safest and most usual investments for small sums is in a kind of land debentures. The mortgages there were divided into shares, and the documents which conferred the right to those shares were very generally in use as investments by all classes, and were found very convenient, and increased very much the facilities of mortgaging land for its value. They also increased the value of land." (*a*)

Future Legislation.

The foregoing statements will abundantly suffice to indicate the existence of some constitutional disease in the present Land System of these countries, and the pressing necessity for the immediate application of some adequate cure. The great exertions, which a large portion of the people of Great Britain are now making to establish Mutual Land Societies, may be regarded as a strong effort of nature to escape from the evil effects of an unsuitable Land System.

But any remedy which the future operations of those Societies may be able to afford must remain of an incomplete and limited character, until aided by the introduction of a better System. For it could not be anticipated that any Land Society, or number of persons, can, by their collective or individual efforts, effectually extirpate those inherent evils which the legislature alone is competent to remove; and it would be a mistake to suppose that the law relating to Mutual Land Societies or to Building Societies is in a state altogether so satisfactory as might be desired.

Some experienced writers, who have described the great

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countries from a simple land system, combining the principle of land debentures, affords a strong confirmation of the views already advanced by the present writer, with respect to the advantages which the landowners of these countries might also enjoy from the adoption of a similar land system. —See the "Irish Land Question" (1851.)

(*a*) Evidence of John Stuart Mill, Esq.

and increasing importance of the numerous Societies formed under the Buildings Societies' Act complain, that :—

"Building Societies are not based on that firm foundation, with reference to their legal position, which their present importance imperatively demands. It cannot now be doubted the time has arrived for the Legislature to explain and extend the existing Statute."(*a*)

Future Privileges.

Among the privileges that might be usefully conferred upon Land Societies, to enable them to enlarge their operations, would be, a power to purchase land in a direct form, for distribution among the members: a summary power to recover possession from any defaulting allottees; and a power to charge each allotment with negotiable land debentures, corresponding with the unpaid instalments of the purchase-money. These debentures would enable the Society, from time to time, to replace its original funds, and be thereby placed in a position to increase its purchases to an unlimited extent.

It is obvious that a power to charge each allotment with negotiable debentures, would most materially accelerate the operations of a Mutual Land Society established for the purchase of large estates, to be divided into suitable farms. These debentures would enable the Society to relieve itself from all trouble of collecting from each allottee the unpaid instalments of his purchase money. The available funds of the Society would be thus doubled in the first instance, and would afterwards continue to increase in an arithmetical ratio, through the future subscriptions of its investing members.

Any privileges or exemptions requisite for the more perfect establishment and more convenient working of Land Societies, or even for introducing a New Law System, would be less innovating than those already granted by the Benefit Building Societies' Act.

(*a*) Stone on Benefit Building Societies.

Conclusion.

Even under the existing laws, some additional facilities for the sale and transfer of land in Ireland, so as to benefit all parties, might be obtained through the various privileges conferred by the Building Societies' Act.

Unfortunately a Government will seldom so far overcome its official supineness as to adopt the initiative in effecting a thorough reform of admitted abuses, or voluntarily undertake an unaccustomed labor, unless it shall be urged forward by that strong 'pressure from without' which is always most usefully applied when demanding a practical remedy for an acknowledged evil. The pressure already created by the increasing operations of the English Land Societies would necessarily be increased by an Irish Land Society, founded under the Building Societies' Act, for the legal purpose of raising funds to assist its members in obtaining small freehold properties.

It appears from the preamble to the Building Societies' Act, that it was called into existence in order to encourage and protect those numerous Building Societies which had already been already established in different parts of the United Kingdom.(*a*) In the present condition of Ireland, it cannot be denied that Land Societies in that country would be as fit objects for encouragement and protection as Building Societies were in 1836, and it would appear more expedient that Land Societies in both England and Ireland shall be sanctioned through appropriate legislation, in a direct form, than that they shall continue to act under any indirect application of a statute which may seem to have been introduced for a different object. It might therefore be reasonably expected that the establishment of a Mutual Land Society, upon an extensive scale, and carefully consti-

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(*a*) "After the year 1830, Building Societies increased so rapidly that, on the 14th of July, 1836, a special Act (6, 7 Will. IV., c. 32), was passed for their encouragement and protection."—Scratchley on 'Industrial Investment and Emigration,' p. 5.

tuted within the strict terms of the Building Societies' Acts, would soon induce the Legislature to convert its interminable deliberations and reports into some useful legislation.

In the meantime the institution of a Mutual Land Society would operate towards accomplishing in Ireland many of those useful objects which appear, from the foregoing statements to be already sanctioned by high authorities, and tested by past experience in other countries.

It would "assist the members in obtaining small freehold properties," and thus aid in "the formation of a permanent body of independent yeomen, consisting of resident proprietors interested in the preservation of peace and order," and constituting "the very best class that could imagined for the social improvement of Ireland."

It would "give a larger number of persons than now enjoy it, an absolute interest in the improvement of the land, by making them proprietors."

It would "provide a freedom of access to the purchase of small portions of land and facilities as to title," thus creating a better demand for land, and increasing the value of land to the present owners.

Its unstamped shares, transferable without stamp duty, "would furnish an easy mode of investing money in land or in landed securities, as the savings' bank of the country, and as an affair of an afternoon."

It would "make provision for deferred payments—making the purchase-money payable by deferred instalments."

"The uncertainty and complexity of titles, and the length and expense of conveyances, together with the cost of stamps," would no longer "place investments in land, or landed securities, beyond the reach of the industrious classes."

Dealings in land would no longer be, "a luxury that a rich man may indulge in—that a poor man cannot indulge in."

But, above all, each industrious Irishman might hope hereafter to live securely upon his own land, and "a forced emigration" would cease "to drive out the very back-bone and sinew of the country."

The prospect of realizing these various benefits, even to a limited extent, through the operations of a Mutual Land Society, legally constituted under the Building Societies' Act, would appear to entitle any practical proposal for the institution of such a Society to the favorable consideration of all persons whose interests are identified with the Land of Ireland.